

MEDIA & MARKETING INDUSTRY

1ST HALF 2015 :: Mergers and Acquisitions Trend Report

1ST HALF 2015 KEY HIGHLIGHTS

- The most active acquirer year-to-date was Dentsu Inc. with nine deals: eCommera Ltd., Flexmedia Co., Ltd., John Brown Media, abaGada Internet Ltd., Forbes Consulting Group, Mindworks, Soap Creative, Belgiovane Williams Mackay and WATConsult.
- The highest value transaction in 1st Half 2015 was Verizon Communications' acquisition of AOL, Inc. for \$4.13 billion.
- There were 111 financially sponsored transactions with an aggregate value of \$12.28 billion, representing 13 percent of the total volume and 30 percent of the total value, respectively.

1ST HALF 2015 KEY TRENDS

- Total transaction volume in 1st Half 2015 saw a three percent uptick over 2nd Half 2014, from 841 to 863.
- Total transaction value in 1st Half 2015 fell by 31 percent over 2nd Half 2014, from \$52.72 billion to \$36.48 billion.
- 11 of the industry's top ten highest value deals in 2nd Half 2014 reached the \$1 billion threshold, as opposed to five in 1st Half 2015.
- The median revenue multiple decreased from 2.1x in 2nd Half 2014 to 1.9x in 1st Half 2015. The median EBITDA multiple declined from 12.0x in 2nd Half 2014 to 8.7x in 1st Half 2015.
- The segment with the largest rise in volume in 1st Half 2015 over 2nd Half 2014 was Internet Media with a 25 percent gain, from 208 to 259 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 4,273 Media & Marketing transactions between 2013 and 1st Half 2015, of which 920 disclosed financial terms, and calculated the aggregate transaction value to be \$150.67 billion. Based on known transaction values, we project values of 3,353 undisclosed transactions to be \$57.21 billion, totaling \$207.88 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.0x revenue and 10.0x EBITDA.

M&A Market Dynamics By Half Year

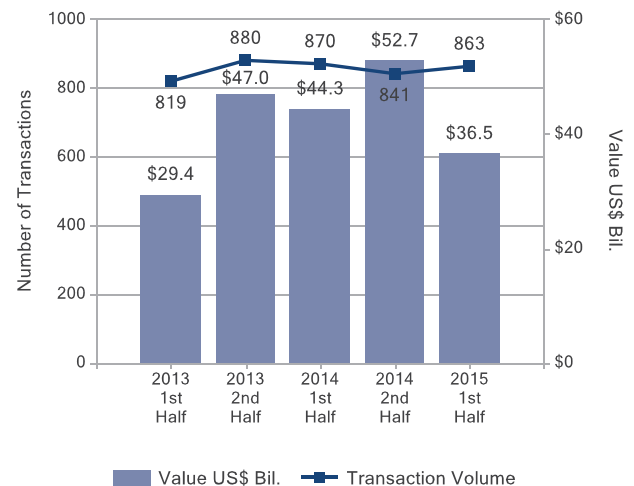


Figure 1. 2013-2015 value and volume comparison.

Median Enterprise Value Multiples By Half Year

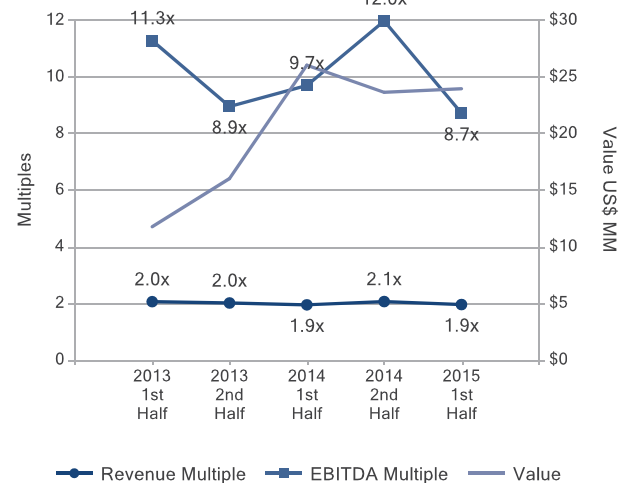


Figure 2. 2013-2015 median: revenue and EBITDA comparison.

Transaction Analysis :: January 1, 2015 – June 30, 2015

Bell Curve - Histogram - 1st Half

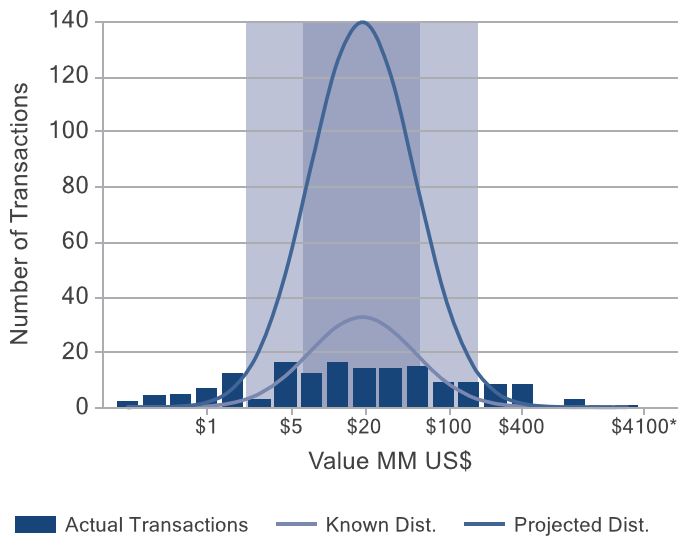


Figure 3. Shows the distribution of Media and Marketing transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.6 million to \$244.7 million. Based on this data, we estimate total transaction value of deals done in the 1st Half of 2015 at \$36.5 billion.

*Indicates largest industry transaction from Jan. 1, 2015 to June 30, 2015.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	1 %	1 %
\$0.4	4	0	4	2 %	4 %
\$0.6	5	0	5	3 %	7 %
\$1.0	7	2	8	4 %	11 %
\$1.6	12	7	18	7 %	18 %
\$2.7	3	21	23	2 %	20 %
\$4.5	16	48	64	10 %	30 %
\$7.4	12	88	100	7 %	37 %
\$12.2	16	126	141	10 %	47 %
\$20.1	14	139	153	9 %	55 %
\$33.1	14	120	134	9 %	64 %
\$54.6	15	81	95	9 %	73 %
\$90.0	9	42	51	5 %	79 %
\$148.4	9	17	26	5 %	84 %
\$244.7	8	5	13	5 %	89 %
\$403.4	8	1	9	5 %	94 %
\$665.1	0	0	0	0 %	94 %
\$1,096.6	3	0	3	2 %	96 %
\$1,808.0	1	0	1	1 %	96 %
\$2,981.0	1	0	1	1 %	97 %

Total #	164	699	863
Total \$ Value	\$23,032	\$13,451	\$36,483
Middle 3rd of Industry		Middle 2/3rds of Industry	

Figure 4. Presents the data depicted in the bell curve histogram.

Note: The projected number column is rounded and may produce insignificant errors in the total sum.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type - 1st Half

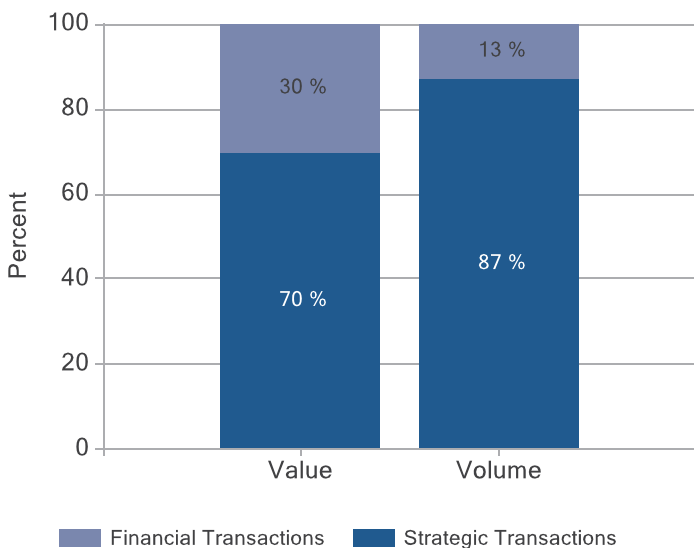


Figure 5. 1st Half 2015 value and volume comparison by transaction type.

Note: Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type By Half Year

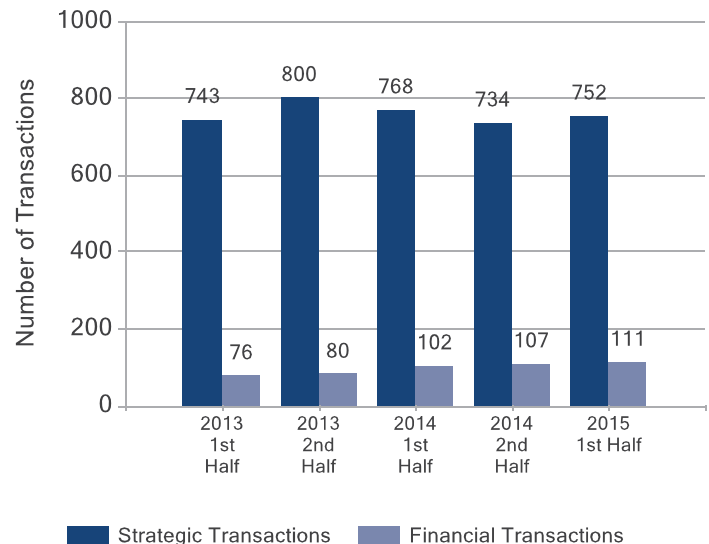


Figure 6. 2013-2015 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2015

Deal Date	Target Name	Buyer	Value MM US\$
05/12/15	AOL Inc.	Verizon Communications	\$4,126
03/10/15	Wood Mackenzie	Verisk Analytics, Inc.	\$2,790
03/16/15	N-Vision B.V.	Scripps Networks Interactive	\$1,594
04/20/15	Cirque du Soleil	TPG Capital	\$1,222
02/03/15	Infront Sports & Media AG	Dalian Wanda Group Co., Ltd.	\$1,204
05/27/15	SFX Entertainment, Inc.	Robert F.X. Sillerman	\$582
01/20/15	Fairway Outdoor Advertising	GTCR, LLC, Adams Outdoor Advertising	\$575
04/24/15	Scholastic Educational Technology and Services	Houghton Mifflin Harcourt	\$575
03/12/15	Talpa	itv plc	\$531
04/16/15	Nine Live	Affinity Equity Partners	\$491
2015 Aggregate Transaction Value			\$36,483
Top 10 Aggregate Transaction Value			\$13,689
Top 10 Aggregate Value as a Percentage of All Transactions			38 %

Figure 7. Lists the top ten transactions for 1st Half 2015 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

Note: Transaction data based on announced date.

Median EV/Revenue Multiples By Size

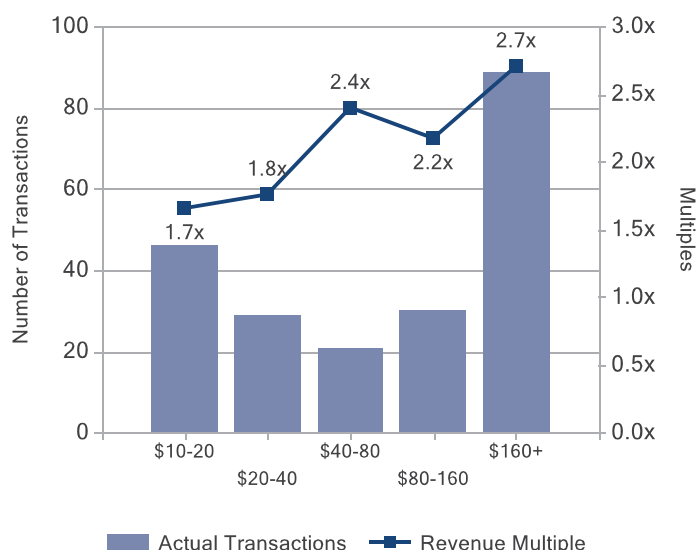


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from January 1, 2013 to June 30, 2015 based on publicly available data.

Transaction Volume by Segment :: January 1, 2013 – June 30, 2015

Transactions By Market Segment By Half Year

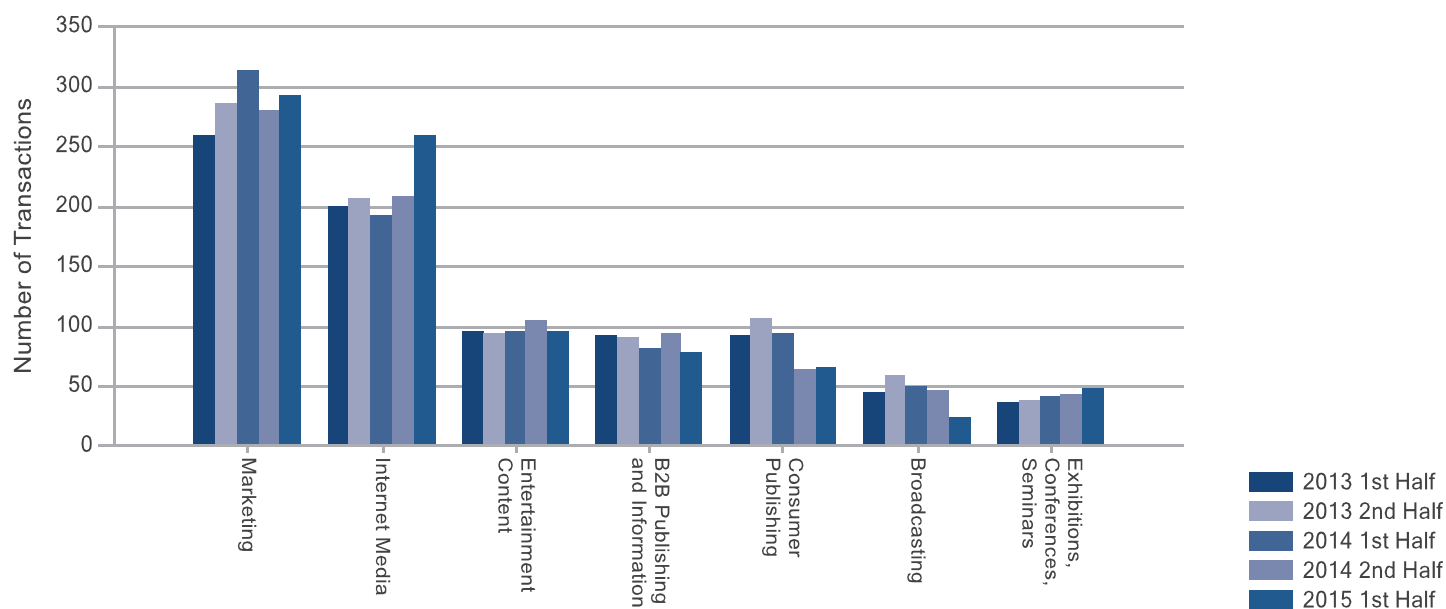


Figure 9. Presents transaction volume by market segment within the Media and Marketing Industry from January 1, 2013 through June 30, 2015.

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity.

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Wilmington plc

HAS ACQUIRED

**Financial Research
Associates, LLC**



Sandbox & Co

HAS ACQUIRED

Family Education Network
including

Poptropica Funbrain

and other select assets from

PEARSON

**LRP
Publications**

HAS ACQUIRED THE EDUCATION
TECHNOLOGY EVENTS

**F&C CAMPUS
TECHNOLOGY**

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1105 MEDIA

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